

ORIGINAL

FILED
Superior Court Of California
County Of Los Angeles

DEC 05 2018

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By Charlie L. Coleman, Deputy

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Attorneys for Plaintiff,
Yael Tobi

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Yael Tobi, an Individual,

Plaintiff,

vs.

CKR LAW, LLP F/K/A CRONE
KLINE RINDE LLP, a Limited
Liability Partnership; JEFFREY A.
RINDE, an individual; and DOES 1-20,
inclusive,

Defendants.

CASE NO. **18STCV07334**

Assigned for all purposes to: _____

COMPLAINT FOR:

- (1) Breach of Contract;
- (2) Conversion;
- (3) Fraud – Concealment;
- (4) Fraud – Misrepresentation;
- (5) Promissory Estoppel;
- (6) Failure to Pay Wages;
- (7) Failure to Furnish Timely and Accurate Wage Statements;
- (8) Waiting Time Penalties;
- (9) Unlawful Business Practices
[Business & Professions Code §§ 17200-17208];
- (10) Unjust Enrichment;
- (11) Accounting; and,
- (12) Declaratory Relief

DEMAND FOR JURY TRIAL

COMPLAINT

FILED

1 Plaintiff Yael Tobi ("Tobi" or "Plaintiff") hereby brings this lawsuit and alleges as follow:

2 1. Plaintiff, Yael Tobi is and at all times mentioned herein was a California resident,
3 living in Ventura County, California.

4 2. Plaintiff is informed and believes, and on that basis alleges, that Defendant CKR
5 Law, LLP ("CKR") formerly known as CRONE KLINE RINDE LLP is, and at all times
6 mentioned herein was, a law firm and a Limited Liability Partnership with multiple offices in
7 California, including but not limited to Century City, Los Angeles County California. Plaintiff is
8 further informed and on that basis alleges that according to the New York Secretary of State,
9 CKR is registered to do business in New York as a foreign entity with a jurisdiction in California.

10 3. Plaintiff is informed and believes, and on that basis alleges, that Defendant Jeffrey
11 A. Rinde ("Rinde") is, and at all times mentioned herein was the managing partner of CKR, and a
12 New York resident doing business in California.

13 4. Plaintiff does not know the true names and capacities of the Defendants named
14 herein as DOES 1 through 20, inclusive. Plaintiff will seek leave to amend this Complaint to
15 allege their names and capacities when ascertained.

16 5. Plaintiff is informed and believes, and on that basis alleges, that the Defendants
17 designated herein as DOES 1 through 20, inclusive, are persons or entities in some way
18 responsible for the acts or omissions herein alleged, or that they are otherwise required to be
19 joined as a party in order for Plaintiff to obtain all the relief to which it is entitled.

20 6. Plaintiff is informed and believes, and on that basis alleges, that the persons
21 identified as DOES 1-20 (as well as the named Defendants) are liable to Plaintiff for all monies
22 claimed in this lawsuit.

23 **JURISDICTION, VENUE AND STANDING**

24 7. This Court has Jurisdiction over this action and the parties, and is the proper venue
25 to adjudicate this lawsuit under California Civil Procedure §§ 395 et seq because: (1) Defendants
26 unlawful practice took place in Los Angeles County; (2) Defendants' offices are located in Los
27 Angeles County; (3) Defendants are doing business in Los Angeles County; and, (4) Plaintiff was
28 employed by Defendants in Los Angeles County.

1 **ALTER EGO ALLEGATIONS**

2 8. Plaintiff is informed and believes, and on that basis alleges, that each of the
3 Defendants, including DOES 1-20, was and is the agent, employee, employer, affiliate, co-
4 conspirator, representative, alter ego, subsidiary, affiliate and/or partner of one or more of the
5 other Defendants, and was, in performing the acts complained of herein, acting within the scope
6 of such agency, employment, joint enterprise, conspiracy, or is in some other way responsible for
7 the acts of one or more of the Defendants.

8 9. Plaintiff is informed and believes, and on that basis alleges, Rinde and others not
9 yet identified are the alter egos of CKR. Rinde is the key decision maker for CKR, and has
10 exercised complete dominion and control over CKR, its assets, business dealings, which were and
11 are commingled and intermingled such that a unity of interest exists between Rinde and CKR.
12 Moreover, Rinde has failed to maintain any of the LLP's formalities to show that he is separate
13 and apart from CKR and, as such, is the alter ego of CKR.

14 10. Based on information and belief, Rinde diverted CKR's assets and cash for his
15 own personal use without any justification or consideration.

16 11. Plaintiff is informed and believes, and on that basis alleges that as a result of the
17 foregoing, Rinde and others yet to be identified were and are the instrumentality, conduit and alter
18 ego of CKR so as to avoid any liability and to form a conspiracy and to aid and abet and to
19 prevent Plaintiff from recovering monies from the agreements at issue in this lawsuit. As such,
20 Rinde and others yet to be identified, are personally responsible for the debts of CKR, including
21 the obligations under the agreements described herein. Unless the fiction of the "corporate
22 entity" is ignored, an abuse of the corporate privilege, fraud and injustice will result, all to the
23 irreparable injury of Plaintiff.

24 **GENERAL ALLEGATIONS**

25 12. Plaintiff is an attorney practicing law in California since 2004.

26 13. Plaintiff formed the law firm of Tobi Law Group, A Professional Corporation
27 ("TLG") in early 2013.
28

1 14. In or about August 2017, Rinde recruited Plaintiff to join CKR. Rinde provided
2 Plaintiff with the option of joining CKR as either “an equity” partner or a “non equity” partner.

3 15. When Plaintiff was reluctant to join CKR, Rinde induced her by advising her that
4 if she agreed to a non-equity partnership position she would make a substantial amount of money
5 in the initial couple of years because she would be entitled to a guaranteed payment of \$20,000
6 per month and in addition 70% of all originated fees for matters that she worked on (and 50% of
7 all originated fees for matter that she referred to other attorneys).

8 16. When Plaintiff was still reluctant as such a commitment ultimately meant the
9 termination of TLG, Rinde assured Plaintiff that her future was with CKR, that Plaintiff would
10 likely become the head of CKR’s litigation group in the West Coast and that this was a long-term
11 highly profitable opportunity whereby Plaintiff would likely end her career at CKR.

12 17. To further lure Plaintiff to join CKR, Rinde represented that the firm was quickly
13 growing and that there are many opportunities within the firm for Plaintiff to work on litigation
14 matters for other attorneys, further yielding Plaintiff a 70% income of all such ori_ ated fees.

15 18. Rinde assured Plaintiff that he would be her contact person and that he would
16 assist Plaintiff build her practice and market CKR, by traveling with Plaintiff for business
17 development meetings, including in Israel.

18 19. Rinde further assured Plaintiff that CKR would continue to expand and open
19 offices throughout the United States and worldwide, and that such offices would include a large
20 litigation group.

21 20. On or about August 19, 2017 and effective August 27, 2017, Plaintiff and
22 Defendants entered into a written agreement concerning Plaintiff becoming a non-equity partner
23 in CKR (“Employment Agreement”).

24 21. Pursuant to the Employment Agreement to further assure Plaintiff that the intent
25 was for Plaintiff’s position with CKR to be ongoing and long term, the Employment Agreement
26 stated that “we [Defendants] will also make you an equity partner of the Firm prior to the
27 expiration of the Term if and when you request to terminate this agreement and convert your
28 position at the Firm to an equity partner instead.”

1 22. The Employment Agreement provided the following compensation structure:

2 (i) "One Hundred percent (100.0%) of the existing Accounts Receivable and
3 Work in Process from your existing clients identified on Schedule A ("Existing Tobi A/R
4 and WIP"). With respect to Existing Tobi A/R and WIP you shall have the discretion to
5 invoice and collect fees through Tobi Law Group, APC or the Firm also after the
6 Commencement Date;

7 (ii) One Hundred percent (100.0%) of all Originated Fees up to an aggregate of
8 \$200,000 paid by your existing clients identified on Schedule B ("Existing Tobi Clients"),
9 where (x) you originate, supervise or perform all the work for the Existing Tobi Clients
10 and (y) such Originated Fees are incurred during the Initial Term and billed during the
11 Initial Term or the following month ("First Existing Tobi Client Fees");

12 (iii) The Firm will provide you with a minimum monthly payment of \$20,000
13 (the "Minimum Monthly Pay") for the duration of the Term with the first Minimum
14 Monthly Pay being on September 1, 2017 and each Minimum Monthly Pay provided to
15 you on the 1st of each month. However, this amount shall or any portion thereof (if any)
16 be deducted from the First Existing Tobi Client Fees as and when collected. You will not
17 be responsible for repayment of the Minimum Monthly Pay other than from the First
18 Existing Tobi Client Fees;

19 (iv) Seventy percent (70.0%) of all Originated Fees from the Existing Tobi
20 Clients, excluding the First Existing Tobi Client Fees, where (x) you supervise or perform
21 the work and (y) such Originated Fees are incurred during the Initial Term and billed
22 during the Initial Term or the following month;

23 (v) Seventy percent (70.0%) of all Originated Fees from clients of the Firm
24 (excluding the Existing Tobi Clients) that are generated or originated by you ("Additional
25 Tobi Clients");

26 (vi) Fifty percent (50.0%) of all Originated Fees from the Existing Tobi Clients
27 and Additional Tobi Clients, where you request other attorneys at the Firm to supervise or
28

1 work on the matter(s) and such work is done by other attorneys or paralegals at the Firm;
2 and

3 (vii) Seventy percent (70.0%) of all Originated Fees, if any, that are derived
4 from existing or new clients originated by other attorneys at the Firm ("CKR Clients"),
5 but *only* with respect to any matters that you are specifically requested by the Firm to
6 work on and are assigned to you, and only to the extent of those Originated Fees allocable
7 to the assigned work that is done by you on such matter(s), whether billed at your hourly
8 rate that we agree upon, or in cases of a fixed fee arrangement, by a mutually agreed upon
9 percentage of Originated Fees (to be generally based upon the amount by which your time
10 bears to the total time expended by all attorneys on such matter). ((i) - (vii)), collectively
11 referred to as the "Monthly Draw")"

12 23. Additionally, pursuant to the Employment Agreement, "The Firm will provide a
13 written statement of Originated Fees monthly and shall pay in arrears any Monthly Draw owed,
14 subject to receipt of payment thereon from the client, on or prior to the 15th day of the month
15 immediately following the end of each month in which the relevant Originated Fees are
16 collected."

17 24. Moreover, the Firm was to provide a discretionary annual bonus based on
18 Plaintiff's overall contribution to the Firm, including due consideration of Plaintiff's marketing,
19 administrative and other roles and responsibilities with the Firm.

20 25. Despite of the written Employment Agreement, Defendants failed to pay Plaintiff
21 any portion of the Monthly Draw subject to paragraphs (iv-vii) (hereinafter "70% of Originated
22 Fees.")

23 26. With respect to paragraph iii and the Minimum Monthly Pay, Defendants made
24 untimely incomplete payments of the Minimum Monthly Pay, making unauthorized and improper
25 deductions, while entirely failing to pay the Minimum Monthly Pay for a period of approximately
26 three months.

27 27. In or about March 2018, Plaintiff e-mailed Rinde to inquire about Defendants'
28 failure to pay the Monthly Draw and specifically the 70% of Originated Fees. During a telephone

1 conference, on or about April 13, 2018, Rinde assured Plaintiff that Defendants had every
2 intention of complying with each of the terms in the Employment Agreement. Specifically Rinde
3 promised Plaintiff that she would receive all Monthly Draw payments, including those listed in
4 paragraphs iv-vii of the Employment Agreement (in addition to the Minimum Monthly Pay).
5 Rinde further requested that Plaintiff provide him with a list of matters that are subject to the
6 Monthly Draw, for which Plaintiff has not been compensated.

7 28. Pursuant to Rinde's request, on or about April 24, 2017, Plaintiff e-mailed Rinde a
8 document that included a list of the client/matters that Plaintiff billed, balances owed, what the
9 firm has collected and total amounts due to Plaintiff pursuant to the Monthly Draw subject to
10 paragraphs (iv-vii) (i.e. the 70% of Originated Fees). Rinde did not dispute any of the items
11 included in Plaintiff's e-mail and document and assured Plaintiff that Defendants would indeed
12 pay Plaintiff all monies due under the Employment Agreement.

13 29. Despite of Rinde's promises, Defendants failed to pay Plaintiff the 70% of
14 Originated Fees, subject to paragraphs (iv-vii) of the Employment Agreement.

15 30. On or about April 5, 2018, only 12 days before income tax returns were due, CKR
16 e-mailed Plaintiff a "draft" copy of Plaintiff's K-1 despite the fact that Plaintiff was not an equity
17 partner in CKR and did not share in CKR's profits and losses. The delay caused Plaintiff to file
18 an extension on her tax returns. The draft K-1 was inaccurate and failed to include taxes
19 purportedly paid on Plaintiff's behalf in several states. In as late as June 2018, when Plaintiff
20 inquired about this (so that she could file her tax returns) Plaintiff was told that the firm still did
21 not have the final calculations and has yet to pay some of the state taxes. Despite of this, without
22 any authorization or consent, the Firm withheld funds from Plaintiff's Minimum Monthly Pay
23 claiming the funds were used to pay Plaintiff's portion of certain state taxes.

24 31. On or about June 19, 2018 Plaintiff was traveling to Israel. The main purpose of
25 the trip was to engage in substantial marketing on CKR's behalf. Plaintiff paid for all fees and
26 costs associated with the trip. Upon her arrival to Israel, Plaintiff discovered that CKR has
27 FedExed (to the wrong address) a one-paragraph letter, abruptly terminating the relationship.
28 Plaintiff immediately reached out to Rinde to discuss the letter as she had multiple meetings

1 scheduled in Israel, but Rinde was nonresponsive and evasive. Indeed, in over two months from
2 receipt of the termination letter, Plaintiff was unable to arrange for a single call with Rinde.

3 32. Finally, in or about August 16, 2018, two days before the purported Employment
4 Agreement was to terminate, Rinde agreed to discuss the matter with Plaintiff. During that call,
5 again Rinde assured Plaintiff that CKR would comply with the Employment Agreement and that
6 Defendants were interested in continuing their relationship with Plaintiff but that they would like
7 to revise the Employment Agreement. Thus, it was agreed that the Employment Agreement
8 would extend (until September 26, 2018) to allow Defendants sufficient time to provide Plaintiff
9 with a revised Employment Agreement.

10 33. When Defendants did not provide Plaintiff with the Revised Employment
11 Agreement and further failed to provide Plaintiff her Minimum Monthly Pay, Plaintiff, on several
12 occasions reached out to Rinde to inquire. Rinde ignored each of Plaintiff's inquiries.

13 34. While Plaintiff was still waiting for Rinde's response and the Revised
14 Employment Agreement, she discovered from Opposing Counsel that her employment with CKR
15 was terminated. Indeed, Opposing Counsel called CKR and was told Plaintiff was no longer with
16 the firm. CKR further without prior notice terminated Plaintiff's ability to access her e-mails and
17 files with CKR prejudicing Plaintiff's (and CKR's) client as well as Plaintiff's reputation and
18 credibility with clients, opposing parties and others in the legal profession. Defendants did not
19 allow Plaintiff access to her e-mails even after Plaintiff requested temporary access to ensure
20 none of her clients were prejudiced.

21 35. Despite of Defendant's termination of Plaintiff's employment, Defendants failed
22 to and still refuse to pay Plaintiff all monies due under the Employment Agreement. Defendants
23 failed to pay Plaintiff the 70% of Originated Fees pursuant to paragraphs (iv-vii) of the
24 Employment Agreement as well as approximately three months of the Minimum Monthly Pay.

25 36. Plaintiff has attempted to contact Rinde several times since their last telephone
26 conference of August 2018, but Rinde has ignored all of Plaintiff's attempts. Indeed, Defendants
27 have entirely ignored Plaintiff's efforts to collect monies due under the Employment Agreement.
28

FIRST CAUSE OF ACTION
(Breach of the Employment Agreement – Against all Defendants)

37. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

38. Plaintiff and Defendants entered into a written Employment Agreement on or about August 19, 2017 (effective August 27, 2017).

39. Under Employment Agreement, Defendants amongst other things were required to perform the following:

a. Provide Plaintiff with a Minimum Monthly Pay of \$20,000 for the duration of the Employment Agreement, “with the first Minimum Monthly Pay being on September 1, 2017 and each Minimum Monthly Pay provided to [Plaintiff] on the 1st of each month.”

b. Provide Plaintiff with “Seventy percent (70.0%) of all Originated Fees from the Existing Tobi Clients, excluding the First Existing Tobi Client Fees, where (x) [Plaintiff] supervise or perform the work and (y) such Originated Fees are incurred during the Initial Term and billed during the Initial Term or the following month”;

c. Provide Plaintiff with Seventy percent (70.0%) of all Originated Fees from clients of the Firm (excluding the Existing Tobi Clients) that are generated or originated by Plaintiff;

d. Provide Plaintiff with Fifty percent (50.0%) of all Originated Fees where Plaintiff request other attorneys at the Firm to supervise or work on the matter(s) and such work is done by other attorneys or paralegals at the Firm;

e. Provide Plaintiff with Seventy percent (70.0%) of all Originated Fees, if any, that are derived from existing or new clients originated by other attorneys at the Firm that Plaintiff was requested by the Firm to work and were assigned to Plaintiff;

f. The Firm was further to provide Plaintiff with a written statement of Originated Fees monthly on or prior to the 15th day of the month immediately following the end of each month in which the relevant Originated Fees were collected;

1 g. Additionally, Plaintiff was entitled to a discretionary annual bonus based on
2 Plaintiff's overall contribution to the Firm, including due consideration of your marketing,
3 administrative and other roles and responsibilities with the Firm.

4 40. Defendants have breached the Employment Agreement in that they failed to pay
5 Plaintiff any of the 70% (or 50%) Originated Fees Draw pursuant to paragraphs (b)-(e) above (i.e.
6 Paragraphs iv-vi of the Employment Agreement).

7 41. Defendants have further breached the Employment Agreement in that they failed
8 to pay some of the Minimum Monthly Payments pursuant to paragraph (a) above (paragraph iii of
9 the Employment Agreement). With respect to the Minimum Monthly Payments that were paid,
10 they were untimely and improper deductions were made.

11 42. Indeed, Defendants have failed to pay Plaintiff the compensation identified above
12 and refused and are still refusing to pay the Plaintiff all monies due and owed under the
13 Employment Agreement.

14 43. Defendants additionally breached the Employment Agreement in that they did not
15 even consider providing a discretionary annual bonus as discussed in the Employment
16 Agreement.

17 44. Defendants' further breached the Employment Agreement in that they failed to
18 provide Plaintiff with a written statement of originated fees on the 15th of each month.

19 45. Plaintiff has performed all of the covenants and conditions of the Contract to be
20 performed on her part, except to the extent that such performance has been prevented, excused,
21 hindered, or waived by the Defendants.

22 46. Plaintiff is informed and believes, and thereon alleges that, as a direct and
23 proximate result of the material breach of the Contract by the Defendants, Plaintiff has sustained
24 general, special, consequential, and incidental damages in an amount presently unknown but
25 believed to be in excess of \$250,000, to be determined according to proof at trial.

SECOND CAUSE OF ACTION
(Conversion -- Against all Defendants)

47. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

48. Pursuant to the Employment Agreement, Plaintiff invoiced clients for her legal services and instructed clients to pay CKR all monies due. Plaintiff billed clients through CKR in reliance on the Employment Agreement requiring CKR to transfer 70% of such fees to Plaintiff.

49. Plaintiff is informed and believes and on that basis alleges that CKR has billed in excess of \$350,000 and collected in excess of \$250,000 for Plaintiff's services, 70% of such fees belonging to Plaintiff. As such, Plaintiff is informed and believes and on that basis alleges that Plaintiff is the rightful owner of at least \$175,000 of monies that were entrusted in Defendants' custody and care by clients of Plaintiff and CKR.

50. Defendants refuse to pay Plaintiff's said funds.

51. Plaintiff in no way consented to Defendants' possession and misappropriation of her funds.

52. Plaintiff has performed all of the conditions, covenants, and promises required on her part to be performed in accordance with the terms of the Employment Agreement.

53. As a direct and proximate result of Defendants' conversion of monies rightfully belonging to Plaintiff, Plaintiff has suffered significant economic damages in an amount to be determined at trial plus prejudgment interest.

THIRD CAUSE OF ACTION
(Fraud: Concealment -- Against all Defendants)

54. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

55. Plaintiff is informed and believes, and on that basis alleges, that the Defendants failed to reveal, concealed and suppressed the fact that they had no intention of performing and complying with the terms of the Employment Agreement. Specifically, Defendants had no intention of providing Plaintiff with the 70% or originating fees as promised.

1 56. Plaintiff is informed and believes and on that basis alleges that Defendants
2 intentionally failed to reveal, concealed and suppressed the fact that they did not register with the
3 California Secretary of State and the California State Bar as required by law.

4 57. Plaintiff is informed and believes and on that basis alleges that Defendants further
5 failed to reveal, concealed and suppressed the fact that they intended on misclassifying Plaintiff
6 as an equity partner despite the fact that Plaintiff was an employee of CKR and did not share in
7 any of the profits and losses of CKR.

8 58. Plaintiff is informed and believes and on that basis alleges that Defendants further
9 failed to reveal, concealed and suppressed the fact that they had no intention of continuing to
10 employ Plaintiff beyond the initial term. Indeed, Plaintiff is informed and believes that
11 Defendants were merely using Plaintiff to recruit additional attorneys (as the firm would appear
12 larger and more established).

13 59. Plaintiff is informed and believes and on that basis alleges that Rinde recruited
14 Plaintiff (and other attorneys) to use Plaintiff (and others) to improperly and fraudulently file tax
15 returns reflecting a larger number of partners sharing the profits and liabilities to reduce
16 Defendants' tax obligations. In reality however, Plaintiff and other attorneys classified as partners
17 were not in fact partners in the LLP, were not sharing CKR's profits and liabilities and were
18 certainly not subject to schedule K-1.

19 60. Plaintiff is informed and believes and on that basis alleges that Rinde concealed
20 the fact that CKR did not have a litigation practice in Southern California, was unable to support
21 Plaintiff's litigation practice or provide Plaintiff with any billable work from CKR's purported
22 litigation practice.

23 61. Plaintiff is informed and believes and on that basis alleges that Rinde concealed
24 the fact that CKR did not have any litigation or legal support including but not limited to
25 secretarial staff, paralegals or even a computer for Plaintiff's use.

26 62. When Plaintiff entered into the Employment Agreement she did not know about
27 said concealed facts.
28

1 63. Plaintiff relied upon Defendants' deception in that amongst other things she
2 entered into the Employment Agreement and continued her employment with Defendants.
3 Plaintiff further relied upon Defendants' concealment and misrepresentations in that she
4 transferred TLG's clients to CKR, and throughout her employment with CKR she marketed
5 CKR's services to clients and potential clients.

6 64. Plaintiff reasonably relied upon the Defendants' deception and trusted Rinde, who
7 represented himself to be a highly successful attorney and the founding partner of a law firm with
8 offices throughout the United States and the world.

9 65. Defendants have kept all of their benefits, while failing to pay Plaintiff monies due
10 and owing under the Employment Agreement.

11 66. As a proximate result of the fraudulent conduct of the Defendants, Plaintiff
12 incurred and continues to incur substantial damages including but not limited to damages to her
13 reputation and goodwill in an amount subject to proof at the time of trial. Plaintiff continues to
14 incur damages due to the threatened litigation against Plaintiff as a result of Defendants'
15 misconduct, fraud, misrepresentations and concealment.

16 67. Plaintiff is informed and believes, and on that basis alleges, that Defendants acted
17 with oppression, fraud, and malice, and with the intent to injure and damage Plaintiff, entitling
18 Plaintiff to an award of punitive damages against Defendants in an amount according to proof to
19 punish and to deter Defendants from engaging in this conduct in the future.

20 **FOURTH CAUSE OF ACTION**
21 **(Fraud: Material Misrepresentations -- Against all Defendants)**

22 68. Plaintiff hereby repeats and incorporates by reference the allegations set forth
23 above.

24 69. Plaintiff is informed and believes, and on that basis alleges that Rinde intentionally
25 made false promises and misrepresentations to Plaintiff with the intent to deceive Plaintiff. Such
26 false promises and misrepresentations include but are not limited to the following:

- 27 a. that Defendants would fully comply with the terms of the Employment
28 Agreement;

1 b. that CKR was an established International Law Firm with a litigation
2 practice throughout California and the United States;

3 c. that CKR had substantial amount of work for litigators.

4 d. that Defendants expected and hoped that Plaintiff's position with CKR
5 would be one of a long-term basis. In fact Rinde specifically represented to Plaintiff that
6 he expected that Plaintiff would remain with CKR until she retired making a seven figure
7 income;

8 e. that Plaintiff was to head the CKR West Coast Litigation group;

9 f. that CKR had and would provide litigation support for Plaintiff including
10 but not limited to secretarial and paralegal support;

11 g. that during the initial few years of employment Plaintiff's focus would be
12 marketing (as oppose to billable hours);

13 h. that CKR would provide Plaintiff with support to assist Plaintiff build
14 CKR's practice in Israel. In fact, Rinde specifically promised to travel with Plaintiff to
15 Israel to meet with clients and potential clients, and;

16 i. that Plaintiff was not required to work from the Century City office, and
17 instead could work from home.

18 70. Indeed, to induce Plaintiff to join CKR, Rinde repeatedly made false promises and
19 assured Plaintiff that her relationship with CKR was one of a long-term nature and highly
20 profitable in that in addition to a guaranteed income of \$20,000 per month, Plaintiff would
21 receive 70% of all originating fees for work billed by Plaintiff; and, 50% of all originating fees
22 for matters referred to other attorneys' at CKR. Finally, Rinde assured Plaintiff that CKR had a
23 significant book of litigation business and as such Plaintiff could continuously work on matters
24 belonging to CKR's clients while receiving 70% of all such originating fees.

25 71. The above false promises and misrepresentations were made by Rinde on or about
26 August 2017 during his meeting with Plaintiff and also in subsequent communications. Rinde
27 continued to make such misrepresentations and assurances throughout Plaintiff's employment
28 with Defendants.

1 72. Plaintiff is informed and believes, and on that basis alleges, that when each of
2 these material misrepresentations were made, Rinde knew them to be false and he made these
3 false statements with the intent to deceive and defraud Plaintiff.

4 73. Indeed, Plaintiff hesitated before she joined CKR and entered into the
5 Employment Agreement because such a decision entailed terminating TLG, a law firm that
6 Plaintiff formed and operated for years. Nonetheless, Rinde made the above misrepresentations
7 and concealments to induce Plaintiff to join CKR. Indeed, in many communications leading up to
8 the Employment Agreement and even afterwards, Rinde continuously repeated the false
9 statements, promises and assurances discussed above.

10 74. Based on information and belief, Rinde's actions and representations described
11 hereinabove were false.

12 75. Based on information and belief the actions and representations described
13 hereinabove were made intentionally and/or recklessly.

14 76. Based on information and belief, the actions and representations described
15 hereinabove were material.

16 77. Plaintiff is informed and believes, and on that basis alleges that Rinde knew that
17 the above material representations were false and were made with the intent to deceive and
18 defraud Plaintiff.

19 78. Plaintiff is informed and believes, and on that basis alleges, that Rinde made these
20 material misrepresentations and concealments with the intent to deceive and defraud Plaintiff and
21 induce Plaintiff to take actions detrimental to Plaintiff's interests.

22 79. Plaintiff was ignorant of the true facts when Rinde made the foregoing material
23 misrepresentations and concealments. .

24 80. Plaintiff relied upon Defendants' deception in that amongst other things she
25 entered into the Employment Agreement and continued her employment with Defendants.
26 Plaintiff further relied upon Defendants' concealment and misrepresentations in that she
27 transferred TLG's clients to CKR, and throughout her employment with CKR she marketed
28 CKR's services to clients and potential clients.

81. Plaintiff reasonably relied upon the Defendants' deception and trusted Rinde, who represented himself to be a highly successful attorney and the founding partner of a law firm with offices throughout the United States and the world.

82. Defendants have kept all of their benefits, while failing to pay Plaintiff monies owed under the Employment Agreement.

83. As a proximate result of the fraudulent conduct of the Defendants, Plaintiff incurred and continues to incur substantial damages including but not limited to damages to her reputation and goodwill in an amount subject to proof at the time of trial. Plaintiff continues to incur damages due to the threatened litigation against Plaintiff as a result of Defendants' misconduct, fraud, misrepresentations and concealment.

84. Plaintiff is informed and believes, and on that basis alleges, that Defendants acted with oppression, fraud, and malice, and with the intent to injure and damage Plaintiff, entitling Plaintiff to an award of punitive damages against Defendants in an amount according to proof to punish and to deter Defendants from engaging in this conduct in the future.

FIFTH CAUSE OF ACTION
(Promissory Estoppel -- Against all Defendants)

85. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

86. In or about August 2018, Rinde promised Plaintiff that:

a. Defendants would fully comply with the terms of the Employment Agreement;

b. CKR had substantial amount of work for litigators.

c. Defendants expected and hoped that Plaintiff's position with CKR would be one of a long-term basis. In fact Rinde specifically represented to Plaintiff that he expected that Plaintiff would remain with CKR until she retired making a seven figure income;

d. Plaintiff was to head the CKR West Coast Litigation group;

e. CKR had and would provide litigation support for Plaintiff including but

1 not limited to secretarial and paralegal support;

2 f. during the initial few years of employment Plaintiff's focus would be
3 marketing (as oppose to billable hours);

4 g. CKR would provide Plaintiff with support to assist Plaintiff build CKR's
5 practice in Israel. In fact, Rinde specifically promised to travel with Plaintiff to Israel to
6 meet with clients and potential clients, and;

7 h. Plaintiff was not required to work from the Century City office, and instead
8 could work from home.

9 87. Indeed, Plaintiff hesitated before she joined CKR and entered into the
10 Employment Agreement because such a decision entailed terminating TLG, a law firm that
11 Plaintiff formed and operated for years. Nonetheless, Rinde made the above misrepresentations
12 and concealments to induce Plaintiff to join CKR. Indeed, in many communications leading up to
13 the Employment Agreement and even afterwards, Rinde continuously repeated the false
14 statements, promises and assurances discussed above.

15 88. Additionally, in or about February and again in April 2018 Rinde assured Plaintiff
16 that Defendants would comply with each of the terms of the Employment Agreement; that
17 Plaintiff would likely become the head of CKR's West Coast Litigation Group; and, that
18 Plaintiff's relationship with CKR was one of a long-term nature.

19 89. Rinde's promises were false.

20 90. Rinde knew his promises were false when he made such promises.

21 91. Defendants failed to comply with the abovementioned promises. Indeed,
22 Defendants failed to pay all monies due and owing pursuant to the abovementioned promises.

23 92. Plaintiff relied upon Defendants' deception in that amongst other things she
24 entered into the Employment Agreement and continued her employment with Defendants.

25 93. Plaintiff further relied upon Defendants' false promises in that she transferred
26 TLG's clients to CKR, and throughout her employment with CKR she marketed CKR's services
27 to clients and potential clients.

28 94. Additionally, Plaintiff continued to rely on Rinde's false promises in that amongst

1 other things she continued to bill clients through CKR; she continued to market CKR to clients
2 and potential clients; she maintained her employment with CKR; and, she did not enforce
3 Defendants' obligations and stayed any legal action until the filing of this Complaint.

4 95. Defendants knew or should have known that Plaintiff would reasonably rely on
5 their promises.

6 96. Plaintiff actually relied on the promises made by Rinde.

7 97. As a result of Defendants' conduct, Plaintiff suffered substantial losses and
8 damages including to her reputation and goodwill in an amount presently unknown, to be
9 determined according to proof at trial.

10 **SIXTH CAUSE OF ACTION**
11 **(Failure to Pay Wages -- Against all Defendants)**

12 98. Plaintiff hereby repeats and incorporates by reference the allegations set forth
13 above.

14 99. As discussed hereinabove Plaintiff was employed by CKR from August 27, 2017
15 through on or about October 1, 2018. Pursuant to such an Employment Agreement, Plaintiff was
16 entitled to a Minimum Monthly Pay of \$20,000 and 70% of Originated Fees as discussed above.

17 100. Plaintiff rendered the services required of her, yet Defendants failed to pay such
18 compensation to Plaintiff.

19 101. As a result of the work performed by Plaintiff, Defendants owe Plaintiff all wages,
20 including but not limited to the Minimum Monthly Pay and 70% of Originated Fees under the
21 terms of the Employment Agreement, and all unpaid wages to date in an amount according to
22 proof at trial.

23 102. Although Plaintiff has demanded payment and provided Defendants with a
24 detailed account of monies due, Defendants have refused and continue to refuse to pay Plaintiff
25 said funds.

26 103. As discussed hereinabove, Defendants failure to pay Plaintiff the wages due and
27 owing was willful in that Plaintiff made multiple requests and also provided Defendants with
28

1 detailed accounting correlating to the provisions of the Employment Agreement, but Defendants
2 have refused to pay the amounts due and owing Plaintiff.

3 104. Defendants willful failure to pay Plaintiff the wages owed is a violation of
4 California Labor Code §203 that provides that an employee's wages will continue as a penalty
5 until paid up to 30 days from the time the wages were due. Therefore, Plaintiff is entitled to a
6 penalty in an amount to be determined according to proof at trial but such penalty should equate
7 to at least the Minimum Monthly Pay that Plaintiff was entitled to under the Employment
8 Agreement.

9 105. Pursuant to California Labor Code § 218.5, Plaintiff is further entitled to attorneys'
10 fees and costs incurred by in this action.

11 **SEVENTH CAUSE OF ACTION**
12 **(Failure to Furnish Timely and Accurate Wage Statements --**
13 **Against all Defendants)**

14 106. Plaintiff hereby repeats and incorporates by reference the allegations set forth
15 above.

16 107. Cal. Labor Code § 226 provides that an employer must furnish employees with "an
17 accurate itemized statement in writing showing amongst other things all deductions, net wages
18 earned, inclusive dates of the period of which the employee is paid, and name and address of the
19 legal entity that is the employer.

20 108. At all times relevant herein, Defendants violated Labor Code § 226, in that
21 Defendants failed to properly and accurately provide Plaintiff with itemized statement
22 showing the above.

23 109. Defendants further wrongfully withheld monies from Plaintiff's pay.

24 110. Defendants additionally wrongfully and improperly provided Plaintiff with a Form
25 1065, Schedule K-1, well aware that Plaintiff was not an equity partner at CKR. Plaintiff did not
26 share any of the profits or losses of CKR. Indeed, in actuality Plaintiff was an employee of CKR.

27 111. Defendants knowingly and intentionally failed to comply with Labor Code §226,
28 causing damages to Plaintiff. These damages include, but are not limited to, unpaid wages, the

1 amount of employment taxes that were not properly paid to state and federal tax authorities, plus
2 reasonable attorney's fees and costs pursuant to Labor Code § 226(g).

3 112. As a result of Defendants' violations, Defendants are liable to Plaintiff for an
4 amount determined according to proof at trial and as provided by the Labor Code.

5 **EIGHTH CAUSE OF ACTION**
6 **(Waiting Time Penalties -- Against all Defendants)**

7 113. Plaintiff hereby repeats and incorporates by reference the allegations set forth
8 above.

9 114. Pursuant to California Labor Code § 201, if an employer discharges an employee,
10 the wages earned and unpaid at the time of the discharge are due and payable immediately.
11 Pursuant to California Labor Code § 202, if an employee quits his or her employment, the wages
12 earned and unpaid at the time of the discharge are due and payable within seventy-two (72) hours
13 of the resignation.

14 115. Plaintiff was terminated from her employment with Defendants and has not
15 received the overtime compensation and other wages she rightfully earned pursuant to the
16 Employment Agreement and California Labor Code.

17 116. Defendants willfully refused, and continue to refuse, to pay Plaintiff all wages
18 earned in a timely manner as required by the Employment Agreement and the California Labor
19 Code.

20 117. Defendants willful failure to pay Plaintiff the wages owed is a violation of
21 California Labor Code §203 that provides that an employee's wages will continue as a penalty
22 until paid up to 30 days from the time the wages were due. As such, Plaintiff is entitled to
23 waiting time penalties in the amount of up to thirty (30) days' wages under Labor Code §203,
24 together with interest thereon and reasonable attorneys' fees and costs.
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NINTH CAUSE OF ACTION
(Unlawful Business Practices [Business & Professions Code §§ 17200-17208] --
Against all Defendants)

118. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

119. California Business & Professions Code section 17200, et seq. prohibits "any unlawful, unfair or fraudulent business act or practice."

120. As discussed hereinabove, Defendants conduct has been fraudulent, unfair and unlawful. Defendants conducted business activities while failing to comply with the legal mandates cited herein. Plaintiff suffered injury in fact and lost money as a result of Defendants' unfair completion.

121. Indeed, as discussed hereinabove, Defendants' fraudulently induced Plaintiff to enter into the Employment Agreement discussed herein while further failing to pay Plaintiff wages pursuant to the Employment Agreement and in violation of California Labor Code.

122. Moreover, Defendants continue to ignore the Employment Agreement with Plaintiff while refusing to pay Plaintiff wages and monies due under the Employment Agreement.

123. In addition to acting fraudulently, Defendants have also acted unfairly and unlawfully. Defendants' fraud, failure to pay monies due under the Employment Agreement, failure to pay wages, misclassification of Plaintiff's status, untimely and improper Schedule K-1 issuance and improper pay deductions "offends an established public policy . . . is immoral, unethical, oppressive, unscrupulous or substantially injurious."

124. Defendants' conduct is also unlawful as they violated California law by engaging in the conducted discussed hereinabove.

125. As a result of Defendants' unlawful and unfair business practices, Plaintiff are entitled to and do seek restitution, and other appropriate relief available under Business & Professions Code § 17203

1 **TENTH CAUSE OF ACTION**
2 **(Unjust Enrichment -- Against all Defendants)**

3 126. Plaintiff hereby repeats and incorporates by reference the allegations set forth
4 above.

5 127. As a result of the breaches by and wrongful conduct of Defendants, Defendants
6 have been unjustly enriched at the expense of Plaintiff. Defendants' have derived and continue to
7 derive a benefit as a result of their failure to perform their contractual and legal obligations
8 pursuant to the parties' Employment Agreement and California Labor Code.

9 128. Defendants are under an obligation to pay Plaintiff all amounts by which they have
10 been unjustly enriched, which such is believed to be in excess of \$250,000, along with
11 prejudgment interest thereon at the legal rate.

12 **ELEVENTH CAUSE OF ACTION**
13 **(Accounting -- Against all Defendants)**

14 129. Plaintiff hereby repeats and incorporates by reference the allegations set forth
15 above.

16 130. An agreement exists between Plaintiff and Defendants wherein Defendants agreed
17 to compensate Plaintiff based upon a percentage of monies collected for Plaintiff's legal services.
18 This relationship allows for an appropriate claim for accounting to be made by Plaintiff.

19 131. Per the Employment Agreement, Defendants have a duty to account for all monies
20 received from Plaintiff's clients and/or for Plaintiff's services for clients of Plaintiffs and/or
21 Defendants.

22 132. Defendants have failed to provide Plaintiff with such an accounting.

23 133. As a result of the Employment Agreement, Defendants have received money, a
24 portion of which is due to Plaintiff.

25 134. The exact amount of money due from Defendants to Plaintiff can be ascertained
26 with accounting of accounts receivables. Plaintiff is informed and believes and thereon alleges
27 that the amount due to Plaintiff exceeds \$200,000.
28

TWELFTH CAUSE OF ACTION
(Declaratory Relief -- Against all Defendants)

135. Plaintiff hereby repeats and incorporates by reference the allegations set forth above.

136. There presently exists a dispute and controversy over the rights, liabilities and duties of the various parties herein. Plaintiff seeks a determination of these parties' rights, liabilities and duties.

137. Plaintiff contends that Defendants improperly breached the Employment Agreement discussed herein.

138. Plaintiff further claims that Defendants have defrauded her in that they made material misrepresentations and concealments to induce Plaintiff to enter into the Employment Agreement.

139. Plaintiff is informed and believes, and based thereon allege, that the Defendants deny Plaintiffs' contentions in whole or in part.

140. Plaintiff desires a judicial determination of her respective rights and duties of and those of Defendants with respect to the matters set forth above.

141. Plaintiff desires a judicial determination, ordering specific performance of the Employment Agreement

142. An actual controversy has arisen and now exists between Plaintiff and Defendants as to obligations, damages and liabilities stemming from the transactions and conduct alleged herein.

143. Judicial determination is necessary and appropriate at this time in order that Plaintiff and Defendants may ascertain liability, with respect to their obligations and/or rights under the transactions alleged herein.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff prays for judgment, jointly and severally, against each of the
3 defendants, and DOES 1-20, inclusive, as follows:

4 1. For compensatory damages, including mitigational damages in an amount
5 according to proof;

6 2. For damages for breach of the Employment Agreement in an amount according to
7 proof;

8 3. For waiting time penalties per California Labor Code;

9 4. For all applicable penalties pursuant to California Labor Code and all other
10 applicable Employment Laws and Regulations;

11 5. For damages resulting from Defendants' fraudulent conduct and fraudulent
12 transfers;

13 6. For Prejudgment and post judgment interest;

14 7. For attorneys' fees;

15 8. For punitive and exemplary damages;

16 9. For an accounting;

17 10. For costs of suit herein incurred;

18 11. For a declaration of Plaintiff's rights and duties; and,

19 12. For such other and further relief, including injunctive relief, as the Court may
20 deem just and proper.

21 Respectfully submitted,

22 DATED: December 5, 2018

TOBI LAW GROUP,
A PROFESSIONAL CORPORATION

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26 By:  _____

Yael Tobin

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JURY TRIAL DEMAND

Plaintiff hereby demands a trial by jury.

Respectfully submitted,

DATED: December 5, 2018

TOBI LAW GROUP,
A PROFESSIONAL CORPORATION



By: _____
Yael Tobi